

Recommendations and Related Materials

**Behavioral Health Chapters**

*For the*

**LONG-TERM AND  
BEHAVIORAL HEALTH  
COMMITTEE MEETING**

*On*

September 14, 2007



---

---

**Agency Recommendations related to Behavioral Health issues  
for the**

**Long-Term and Behavioral Health Committee**

**September 14, 2007**

---

---

Agency recommendations regarding the Final 2008 State Medical Facilities Plan (SMFP) for consideration by the North Carolina State Health Coordinating Council are as follows:

**Issues Related to Psychiatric Inpatient Services**

The Agency recommends adoption of the final Chapter by the SHCC with any appropriate updates in the narrative and with continued updated inventory or other appropriate data in the Chapter's tables.

The Agency recommends that Policy PSY-2 be strengthened by changing a portion of the language that was in the Proposed 2008 SMFP. There were no comments or petitions submitted during the public review and comment period related to Policy PSY-2.

There is one petition and two comments for consideration, and they are attached.

One petition is from Appalachian Regional Healthcare System, Boone, N.C. requesting that the State Health Coordinating Council (SHCC) approve an adjustment to the need determination for 10 adult psychiatric beds to be included in Chapter 15 of the Final 2008 State Medical Facilities Plan (SMFP). The Agency recommends the adjusted need determination, and **the need determination would be for 10 adult inpatient psychiatric beds in Mental Health Planning Area 3 to be included in Chapter 15 of the Final 2008 State Medical Facilities Plan.**

The comments are from T.W. McDevitt, CEO of Smoky Mountain Center, Boone N.C., and Robert J. Wilson, Avery County Director, New River Behavioral HealthCare, Newland, N.C. The comments are supportive of the petition from Appalachian Regional Healthcare System.

**Issues Related to Substance Abuse Inpatient and Residential Services**

The Agency recommends adoption of the final Chapter by the SHCC with any appropriate updates in the narrative and with continued updated inventory or other appropriate data in the Chapter's tables. There was one petition and no comments received during the public review and comment period, and it is attached.

The petition is from Path of Hope, Inc., Lexington, N.C. requesting that the State Health Coordinating Council (SHCC) approve an adjustment to the need determination for twelve (12) adult chemical dependency (substance abuse) residential treatment beds for the Piedmont



Behavioral Healthcare Planning Area, comprising of Cabarrus, Davidson, Rowan, Stanly and Union Counties to be included in the Final 2008 State Medical Facilities Plan (SMFP). The Agency recommends the adjusted need determination, and the **need determination would be for 12 adult chemical dependency (substance abuse) residential treatment beds for the Piedmont Behavioral Healthcare Mental Health Planning Area to be included in Chapter 16 of the Final 2008 State Medical Facilities Plan.**

#### **Issues Related to Intermediate Care Facilities for the Mentally Retarded**

There were no petitions and one comment received during the public review and comment period, and it is attached.

The comment is from Elizabeth Huesemann, Executive Director of the Irene Wortham Center, Asheville, N.C.

The Agency recommends adoption of the final Chapter by the SHCC with any appropriate updates in the narrative and with continued updated inventory or other appropriate data in the Chapter's tables.

*(BHAgencyrec2008f.doc 9/6/2007)*



# **LT/BH COMMITTEE**



**Material Related To**

## **Psychiatric Inpatient Services For the Final 2008 SMFP**

**September 14, 2007**

**Policy PSY-2**

**Agency Analysis related to Petition from  
Appalachian Regional Healthcare System**

**Petition:  
Appalachian Regional Healthcare System**

**Comments:  
Smoky Mountain Center  
New River Behavioral HealthCare**



## **POLICY MH-1: LINKAGES BETWEEN TREATMENT SETTINGS**

An applicant for a certificate of need for psychiatric, substance abuse, or Intermediate Care Facilities for the Mentally Retarded (ICF/MR) beds shall document that the affected Local Management Entity has been contacted and invited to comment on the proposed services.

---

## **POLICIES APPLICABLE TO PSYCHIATRIC INPATIENT SERVICES FACILITIES (PSY)**

---

### **POLICY PSY-1: TRANSFER OF BEDS FROM STATE PSYCHIATRIC HOSPITALS TO COMMUNITY FACILITIES**

Beds in the State psychiatric hospitals used to serve short-term psychiatric patients may be relocated to community facilities through the Certificate of Need process. However, before beds are transferred out of the State psychiatric hospitals, services and programs shall be available in the community. State hospital beds that are relocated to community facilities shall be closed within ninety days following the date the transferred beds become operational in the community.

Facilities proposing to operate transferred beds shall submit an application to the Certificate of Need Section of the Department of Health and Human Services and commit to serve the type of short-term patients normally placed at the State psychiatric hospitals. To help ensure that relocated beds will serve those persons who would have been served by the State psychiatric hospitals, a proposal to transfer beds from a State hospital shall include a written memorandum of agreement between the Local Management Entity serving the county where the beds are to be located, the Secretary of Health and Human Services, and the person submitting the proposal.

### **POLICY PSY-2: ALLOCATION OF PSYCHIATRIC BEDS**

A hospital submitting a Certificate of Need application to add inpatient psychiatric beds shall convert excess licensed acute care beds to psychiatric beds. In determining excess licensed acute care beds, the hospital shall subtract the average occupancy rate for its licensed acute care beds (adjusted for any CON-approved deletions) over the previous 12-month period from the appropriate target occupancy rate of acute care beds listed in Policy AC-4 and multiply the percentage difference by the number of its existing licensed acute care beds, then subtract from the result the number of ~~and the approved non-operational~~ new acute care beds which are pending development.

---

## **POLICIES APPLICABLE TO INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED (ICF/MR)**

---



**LONG-TERM and BEHAVIORAL HEALTH COMMITTEE**  
**Petition from**  
**Appalachian Regional Healthcare System**  
**In regards to**  
**Psychiatric Inpatient Services – Chapter 15**  
**Regarding the Proposed 2008 SMFP**  
**For the Final 2008 SMFP**

**AGENCY ANALYSIS:**

**LTBHC Petition: Appalachian Regional Healthcare System  
Boone, Watauga County, North Carolina**

---

**Request**

The Petitioner requests that the State Health Coordinating Council (SHCC) approve an adjusted need determination for ten (10) adult inpatient psychiatric beds to be included in Chapter 15 of the Final 2008 State Medical Facilities Plan (SMFP).

**Background Information**

Over the last several years, there have been mental health program reform efforts. One of the reforms has been the consolidation of mental health planning area programs or Local Management Entities (LMEs). Previously, there were 30 area entities. As of July 1, 2007, the total number of LMEs has been reduced to 25 area entities.

The steps in the methodology in the Proposed 2008 SMFP for Psychiatric Inpatient Services was applied individually to the then 30 mental health planning area programs, and then bed surpluses/deficits in the areas were combined to arrive at the total surpluses/deficits for the four designated mental health planning regions. A mental health planning region must have a bed deficit of 10 beds or greater to result in a need determination for child/adolescent or adult psychiatric inpatient beds. A bed deficit of less than ten beds does not result in a determination of need.

**Analysis/Implications**

The Petitioner states that a deficit of 17 adult inpatient psychiatric beds is identified in the Proposed 2008 SMFP for Mental Health Planning Area 3, which is in the Western Mental Health Planning Region. Mental Health Planning Area 3 is comprised of Alleghany, Ashe, Avery, Watauga and Wilkes counties. The petitioner continues that this deficit is suppressed by excess adult inpatient psychiatric beds in several counties in the 34-county Western Mental Health Planning Region.



The petitioner requests that the need for Mental Health Planning Area 3 be separated from the regional planning total, and there be an adjusted need determination for ten (10) adult inpatient psychiatric beds to be included in Chapter 15 of the Final 2008 SMFP. The petitioner notes that Cannon Memorial Hospital did have 20 adult inpatient psychiatric beds in Mental Health Planning Area 3 prior to asking that the beds be de-licensed.

The petitioner indicates that Cannon Memorial's decision was based on an erroneous interpretation of federal law regarding the operation of more than 25 beds by a federally – designated critical access hospital. Appalachian Regional Healthcare System, the petitioner, is the parent company of Cannon Memorial

The SHCC and the Division of Health Service Regulation have been supportive of adjusted need determinations in the mental health areas, if a petitioner has demonstrated a willingness to provide a needed service. If an acute care hospital is willing to provide psychiatric services for a community, the Agency has generally been supportive.

**Agency Recommendation**

The Agency recommends approval of an adjusted need determination for 10 adult inpatient psychiatric beds in Mental Health Planning Area 3 to be included in Chapter 15 of the Final 2008 State Medical Facilities Plan.





Asheville PH  
July 13, 2007

## Petition to State Health Coordinating Council

### Adjustment to Psychiatric Bed Need Included in the Proposed 2008 State Medical Facilities Plan

July 13, 2007

**Petitioner:** Appalachian Regional Healthcare System  
336 Deerfield Road  
Boone, NC 28607

DFS Health Planning  
RECEIVED

JUL 13 2007

Medical Facilities  
PLANNING SECTION

**Contact:** Tim Ford, Senior Vice President  
Appalachian Regional Healthcare System  
336 Deerfield Road  
Boone, NC 28607  
(828) 262-4100

### Statement of Requested Change

#### *Petition*

Appalachian Regional Healthcare System is submitting this petition to the State Health Coordinating Council requesting an adjustment to the need determination for adult psychiatric beds included in Chapter 15 of the Proposed 2008 State Medical Facilities Plan.

A deficit of 17 adult psychiatric beds is identified on page 304 in the Proposed 2008 State Medical Facilities Plan for Mental Health Planning Area 3, which includes Alleghany, Ashe, Avery, Watauga, and Wilkes Counties. This deficit however is suppressed by excess adult psychiatric beds in several other counties in the 34-county Western Mental Health Planning Region. Appalachian Regional Healthcare System is specifically requesting that the need for psychiatric beds in Mental Health Planning Area 3 be separated from the regional planning total, for one planning year, and an adjusted need determination for 10 inpatient adult psychiatric beds identified in the 2008 State Medical Facilities Plan.



## Proposed Adult Psychiatric Bed Need Adjustment Data and Information

The following table highlights the adult psychiatric inpatient services in the 34-county Western Mental Health Planning Region. The table presents the number of licensed adult psychiatric beds identified in Table 15A on page 301 of the Proposed 2008 State Medical Facilities Plan; the number of FY2006 adult inpatient psychiatric days of care; the projected number of FY2010 adult inpatient psychiatric days of care; and the associated adult psychiatric bed surplus or deficit.

Inpatient Psychiatric Service	County	Licensed Psychiatric Beds	Actual FY2006 Days of Care	Projected FY2010 Days of Care	Bed Need (+ Surplus/ - Deficit)
<b>Area 1</b>					
<b>Total for Area 1</b>		<b>0</b>	<b>3,589</b>	<b>3,761</b>	<b>- 14</b>
<b>Area 2</b>					
Mission-St. Joseph's Health System	Buncombe	48			
Pardee Memorial Hospital	Henderson	21			
Park Ridge Hospital	Henderson	41			
Rutherford Hospital	Rutherford	14			
St. Luke's Hospital	Polk	10			
<b>Total for Area 2</b>		<b>134</b>	<b>15,287</b>	<b>16,034</b>	<b>+ 75</b>
<b>Area 3</b>					
<b>Total for Area 3</b>		<b>0</b>	<b>4,481</b>	<b>4,585</b>	<b>- 17</b>
<b>Area 4</b>					
Grace Hospital	Burke	22			
<b>Total for Area 4</b>		<b>22</b>	<b>4,869</b>	<b>9,258</b>	<b>- 12</b>
<b>Area 5</b>					
King's Mountain Hospital	Cleveland	14			
Gaston Memorial Hospital	Gaston	43			
<b>Total for Area 5</b>		<b>57</b>	<b>14,513</b>	<b>15,081</b>	<b>+ 2</b>
<b>Area 6</b>					
Frye Regional Medical Center	Catawba	56			
Catawba Memorial	Catawba	28			
<b>Total for Area 6</b>		<b>84</b>	<b>6,301</b>	<b>6,631</b>	<b>+ 60</b>
<b>Area 7</b>					
Presbyterian Hospital	Mecklenburg	40			
Carolinas Medical Center	Mecklenburg	44			
<b>Total for Area 7</b>		<b>84</b>	<b>18,714</b>	<b>20,711</b>	<b>+ 8</b>
<b>Area 8</b>					
Stanly Memorial Hospital	Stanly	12			
Northeast Medical Center	Cabarrus	10			
Rowan Memorial Hospital	Rowan	15			
Thomasville Medical Center	Davidson	26			
<b>Total for Area 8</b>		<b>63</b>	<b>13,955</b>	<b>15,058</b>	<b>+ 8</b>
<b>Total for South Central Region</b>		<b>444</b>	<b>85,817</b>	<b>91,111</b>	<b>+ 110</b>



In FY2005, Cannon Memorial Hospital's adult psychiatric inpatient unit provided 3,829 days of care. In December 2005, Cannon Memorial Hospital notified the North Carolina Licensure and Certification Branch that Cannon Memorial Hospital would be de-licensing its 20 adult psychiatric beds. In January 2006, Cannon Memorial Hospital terminated its psychiatric unit participation in the Medicare and Medicaid Programs. This decision was based on an erroneous interpretation of federal law regarding the operation of more than 25 beds by a federally-designated, critical access hospital. Cannon Memorial Hospital became a federally-designated critical access hospital on December 31, 2005. This designation limits the number of beds the facility can operate to 25 beds.

However, after the de-licensing of the 20 adult psychiatric beds and resulting termination of its Medicare and Medicaid participation, it was determined that Cannon Memorial Hospital could actually operate a separate psychiatric unit, with up to 10 beds, without risking its federal designation as a critical access hospital.

Further complicating this issue for residents of the North Carolina High Country is the closing and reduction of state-controlled psychiatric hospitals and the need to locate inpatient psychiatric care to local communities.

Appalachian Regional Healthcare System requests that the State Health Coordinating Council adjust the adult psychiatric bed need determination for Mental Health Service Area 3 to reflect a need determination of 10 adult psychiatric beds.

### **Support**

Appalachian Regional Healthcare System, the parent company of Cannon Memorial Hospital, has ongoing referral relationships with most hospitals within the 5-county inpatient psychiatric service area, as well as area mental health communities. Appalachian Regional Healthcare System has also met with representatives of the North Carolina Division of Facility Services and has received support for adjusting the adult psychiatric bed need determination for Mental Health Service Area 3.

### **Summary**

Appalachian Regional Healthcare System is requesting that the 17-bed adult psychiatric inpatient bed deficit in Mental Health Service Area 3 identified in the Proposed 2008 State Medical Facilities Plan be separated from the regional planning total and a need determination for 10 adult psychiatric beds for Mental Health Service Area 3 be identified in the 2008 State Medical Facilities Plan.



Smoky Mountain Center  
895 State Farm Road  
Suite 404  
Boone, NC 28607



Northern Regional  
Administrative Office  
828-263-5635  
[www.smokymountaincenter.org](http://www.smokymountaincenter.org)

*"Meeting community needs... one person at a time."*

July 31, 2007

DFS Health Planning  
RECEIVED

AUG 03 2007

Medical Facilities  
PLANNING SECTION

Dr. Dan A. Myers, Chairman  
State Health Coordinating Council  
Division of Facility Services  
2714 Mail Service Center  
Raleigh, NC 27699-2714

Dear Dr. Myers:

I am writing this letter in support of the Petition to the State Health Coordinating Council by Appalachian Regional Healthcare System (ARHS). I understand that ARHS is submitting a petition to the State requesting an adjustment to the need determination for adult psychiatric beds included in Chapter 15 of the Proposed 2008 State Medical Facilities Plan. It is also our understanding that a deficit of inpatient psychiatric beds exists in Mental Health Planning Region 3. Alleghany, Ashe, Avery and Watauga counties are areas that are also covered by our agency.

Smoky Mountain Center LME is committed to serving individuals in their home communities and welcomes the opportunity to work with Appalachian Regional Healthcare System.

Sincerely,

*T.W. McDevitt*

T.W. McDevitt, CEO  
Smoky Mountain Center LME





NEW RIVER BEHAVIORAL HEALTHCARE

July 31, 2007

DFS HEALTH PLANNING  
RECEIVED

AUG 03 2007

MEDICAL FACILITIES  
PLANNING SECTION

Dr. Dan A. Myers, Chairman  
State Health Coordinating Council  
Division of Facility Services  
2714 Mail Service Center  
Raleigh, NC 27699-2714

Dear Dr. Myers:

I am writing this letter in support of the Petition to the State Health Coordinating Council by Appalachian Regional Healthcare System (ARHS). I understand that ARHS is submitting a petition to the State requesting an adjustment to the need determination for adult psychiatric beds included in Chapter 15 of the Proposed 2008 State Medical Facilities Plan. It is also our understanding that a deficit of inpatient psychiatric beds exists in Mental Health Planning Region 3. Alleghany, Ashe, Avery and Watauga counties are areas that are also covered by our agency.

New River Behavioral Health Care is a five-county outpatient service provider that utilized the psychiatric facility at Cannon Memorial Hospital prior to their closing in December 2005. Watauga and Avery Counties primarily utilized this facility for the treatment of our existing clients and those non-clients that were seen for emergency crisis services. Since the facility has closed the nearest hospitals for treatment are in Hickory, Morganton, Asheville, Charlotte or Winston-Salem. The distance to travel to these hospitals creates a hardship for family members and law enforcement involved transportation. Inpatient treatment for the mentally ill for the citizens of our community would be greatly enhanced if it was available at Cannon Hospital.

Sincerely,

Robert J. Wilson MA, LPC, MBA  
Avery County Director

COMMUNITY CARE FOR THE CHANGING TIMES



# **LT/BH COMMITTEE**



**Material Related To**

**Substance Abuse Inpatient and Residential Services**  
**For the Final 2008 SMFP**

**September 14, 2007**

**Agency Analysis related to Petition from**  
**Path of Hope, Inc.**

**Petition:**  
**Path of Hope, Inc.**



**LONG-TERM and BEHAVIORAL HEALTH COMMITTEE**  
**Petition from**  
**Path of Hope, Inc.**  
**In regards to**  
**Substance Abuse Inpatient and Residential Services – Chapter 16**  
**Regarding the Proposed 2008 SMFP**  
**For the Final 2008 SMFP**

**AGENCY ANALYSIS:**

**LTBHC Petition: Path of Hope, Inc.**  
**Lexington, Davidson County, North Carolina**

---

**Request**

The Petitioner requests an adjusted need determination for twelve (12) additional adult chemical dependency (substance abuse) residential treatment beds.

**Background Information**

Over the last several years, there have been mental health program reform efforts. One of the reforms has been the consolidation of mental health planning area programs or Local Management Entities (LMEs). Previously, there were 30 area entities. As of July 1, 2007, the total number of LMEs has been reduced to 25 area entities.

Piedmont Behavioral Healthcare Mental Health Planning Area is comprised of Cabarrus, Davidson, Rowan, Stanly and Union Counties.

The steps in the methodology in the Proposed 2008 SMFP for Substance Abuse Inpatient and Residential Services was applied individually to the then 30 mental health planning area programs, and then bed surpluses/deficits in the areas were combined to arrive at the total surpluses/deficits for the four designated mental health planning regions.

Any bed need determination shall be designated as a residential treatment bed need determination. Any residential treatment bed need determination not applied for would be reallocated in accordance with Policy GEN-1 and designated for either a residential or a hospital-based treatment bed need determination.

**Analysis/Implications**

The petitioner states that Path of Hope, Inc. contracts with three LMEs: Piedmont Behavioral Healthcare, Sandhills, and Alamance-Caswell-Rockingham. It also contracts with several CJP programs and have been asked to submit a proposal with the Federal Probation Department.

The petitioner continues that the three LMEs that it serves have a population total of over 1,417,000. The waiting list at Path of Hope, Inc. for men it is currently four weeks and for women it is currently eight weeks. The petitioner indicates that it had approximately a 97% occupancy rate for the calendar year 2006-2007.



The petitioner is interested in adding six (6) adult female chemical dependency (substance abuse) residential treatment beds and six (6) adult male chemical dependency (substance abuse) residential treatment beds.

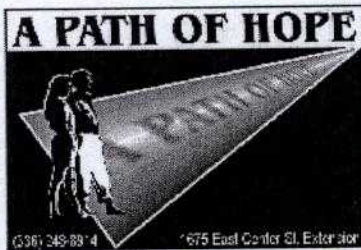
The SHCC and the Division of Health Service Regulation have been supportive of adjusted need determinations in the mental health areas, if a petitioner has demonstrated a willingness to provide a needed service.

In discussions with the Agency, the petitioner indicates that it is asking for an adjusted need determination for twelve (12) substance abuse treatment beds for the Piedmont Behavioral Healthcare Mental Health Planning Area. The adjusted need determination has to be for twelve adult chemical dependency (substance abuse) residential treatment beds. The designation for the need determination could not be for six (6) adult female chemical dependency (substance abuse) residential treatment beds and six (6) adult male chemical dependency (substance abuse) residential treatment beds. If there was an adjusted need determination, it would be for the Piedmont Behavioral Healthcare Mental Health Planning Area and any interested facility or other applicant in that planning area could apply for the Certificate of Need.

**Agency Recommendation**

The agency recommends approval of an adjusted need determination for 12 adult chemical dependency (substance abuse) residential treatment beds for the Piedmont Behavioral Healthcare Mental Health Planning Area to be included in Chapter 16 of the Final 2008 State Medical Facilities Plan.





## Path Of Hope, Inc

*P. O. Box 1824*

*Lexington, NC. 27293-1824*

*Office-336-248-8914//Fax-336-248-2138//Email [pathofhope@lexcominc.net](mailto:pathofhope@lexcominc.net)*

### PETITION

August 3, 2007

Medical Facilities Planning Section  
Division of Facility Services  
2714 Mail Service Center  
Raleigh, NC, 27699-2714

To Whom It May Concern:

Path of Hope, Inc. would like to petition for twelve additional substance abuse residential treatment beds. We are currently licensed under two different facilities code licenses – MHL-029-006 and MHL-029-007. We hold certificates for twelve male and six female SA residential treatment beds.

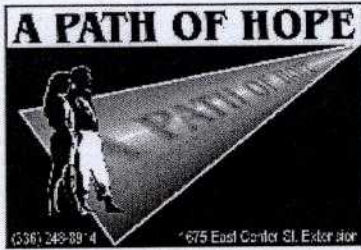
Path of Hope, Inc.  
1675 East Center Street Ext.  
Lexington, NC, 27292

Path of Hope, Inc. contracts with three LMEs: Piedmont Behavioral Healthcare, Sandhills, and Alamance-Caswell-Rockingham. We also contract with several CJP programs and have been asked to submit a proposal with the Federal Probation Department. The waiting list for men is currently four weeks and for women is currently eight weeks.

According to statistics from the 2007 SMFP, the three LMEs that we serve have a population total of over 1,417,000. There are a total of 50 substance abuse residential treatment beds in those three areas. Of those, 20 are at a private-for-profit, 24 are for males at non-profits, and 6 are for females at a non-profit. Although the report states that there are no more adult beds needed, the waiting list at Path of Hope, Inc. for men is currently four weeks and for women is currently eight weeks. We had approximately a 97% occupancy rate for the calendar year 2006-2007.

Due to the wait time associated with substance abuse residential treatment bed availability, many residents are being sent home from detox centers in all three areas. Thus, they are not receiving seamless care in the SA continuum of care. The majority of





## Path Of Hope, Inc

*P. O. Box 1824*

*Lexington, NC. 27293-1824*

*Office-336-248-8914//Fax-336-248-2138//Email [pathofhope@lexcominc.net](mailto:pathofhope@lexcominc.net)*

residents who are in detox meet ASAM criteria for SA residential treatment. There are not adequate Intensive Outpatient Programs or Comprehensive Outpatient Treatment Programs available and even when there is, transportation, housing, and social supports are often not available to support residents being successful in outpatient.

Sandhills LME has supported Path of Hope, Inc. in securing a mental health trust fund grant which we plan to use to serve female substance abuse residents. Oakwood Homes and Sandhills LME are partnering with Path of Hope, Inc. to build a new facility that will originally house six residents (our current CON) but will have the capacity to house twelve residents.

Everywhere I travel across the state and particularly when I am in Raleigh, I hear how it is impossible to place women without children in substance abuse residential treatment. I have also been involved in the NC SA Federation meetings, various conferences across the state, and other meetings where it has been noted that SA admissions are down and that the state has a real need to expand residential treatment services to all areas.

Thank you for considering this request. If there is any other information you need or want, please give me a call at the number listed above.

Sincerely,

Angie Gerock Banther MHDL, LCAS, CCS  
Director of Clinical Services/Asst. Director



# **LT/BH COMMITTEE**



**Material Related To**

**Intermediate Care Facilities for the Mentally Retarded**  
**For the Final 2008 SMFP**

**September 14, 2007**

**Table 17C: Excluded Beds**

**Table 17D: Need Determinations**

**Comments: Elizabeth Huesemann- Irene Wortham Center**



**TABLE 17C: BEDS EXCLUDED FROM ICF/MR INVENTORY - Final 2008 SMFP**

Facility Name	HSA	Mental Health Planning Area	Number of Certified Beds	Reason for Exclusion
Western Carolina Ctr.	I	4 Foothills	493	State Facility
Murdoch Center	II	15 Five County	660	State Facility
O'Berry Center	IV	30 Eastpointe	485	State Facility
Caswell Center	IV	30 Eastpointe	813	State Facility
State Facility Total			2,451	
Carolina Living & Learning	II	13 Orange-Person-Chatham	15	Demonstration Project
Group Homes for the Autistic	III	8 Piedmont Behavioral	15	Demonstration Project
Howell's A&B	IV	26 Pitt County	30	Demonstration Project
Demonstration Project Total			60	
Total Excluded Beds			2,511	

(t17C2008f) 9/5/2007

**Table 17D: Need Determination for Transfer  
of Existing Certified ICF/MR Beds from  
State-Operated Developmental Centers Per Policy ICF/MR-2  
(Scheduled for Certificate of Need Review during 2008)**

HSA	County	Adult Bed Need Determination	CON Application Due Date	CON Beginning Review Date
I	Buncombe	6	To be determined	To be determined
II	Guilford	6	To be determined	To be determined
III	Mecklenburg	6	To be determined	To be determined
IV	Wake	6	To be determined	To be determined
V	New Hanover	6	To be determined	To be determined
VI	Pitt	6	To be determined	To be determined
	TOTAL	36		

Need determinations as shown in this document may be increased or decreased during the year pursuant to Policy GEN-2 (See Chapter 4).

\*\*Application Due Dates are absolute deadlines. The filing deadline is 5:30 p.m. on the Application Due Date.  
The filing deadline is absolute (See Chapter 3).

(t17D2008f.xls) 9/5//2007



Asheville PH  
July 13, 2007

TO: NC State Health Coordinating Council  
FROM: Elizabeth Huesemann, Ex. Dir., Irene Wortham Center, Asheville, NC  
RE: 2008 SMFP; Transfer of ICF/MR beds  
DATE: July 13, 2007

Policy ICF/MR-2 : Transfer of ICF/MR beds from state operated developmental centers to community facilities for individuals who currently occupy the beds

Does not expand services, only relocates the services; thus does not make a bed available for anyone currently in need of a bed and not being served, and especially children.

Policy ICF/MR-1: Transfer of ICF/MR beds from state operated developmental centers to community facilities for medically fragile children.

There does not appear to be a "need determination" finding in the 2008 SMFP. Where are these beds to be located and how many are determined to be needed?

In MH Area 1 (Jackson, Haywood, Macon, Cherokee, Clay, Graham, Swain) there are 5 ICF/MR group homes with a total of 29 beds, none of which are children's beds.

In MH Area II (Buncombe, Henderson, Madison, Mitchell, Polk, Rutherford, Transylvania, Yancey) there are 17 ICF/MR group homes with a total of 160 beds. Of these beds, 12 are for children/adolescents with autism. Of the other 148 beds, up to 12 can be used for children.

Thus for the entire Mental Health Areas I and II, a 15 county area, the maximum number of children's beds is 12 or an allocation on average of less than 1 bed per county. Even in the absence of "hard" numbers, population probability would indicate this is an insufficient number of beds to serve these 2 areas.

Under either Policy #1 or #2, are funds being allocated for construction and start-up for new community facilities?

DFS Health Planning  
RECEIVED

JUL 13 2007

Medical Facilities  
Planning Section



**POLICY ICF/MR-1: TRANSFER OF ICF/MR BEDS FROM STATE OPERATED  
DEVELOPMENTAL CENTERS TO COMMUNITY FACILITIES  
FOR MEDICALLY FRAGILE CHILDREN**

ICF/MR beds in state operated developmental centers may be relocated to community facilities through the Certificate of Need process for the establishment of community ICF/MR facilities to serve children ages birth through six years who have severe to profound developmental disabilities and are medically fragile. This policy allows for the relocation or transfer of beds only and does not provide for transfer of residents with the beds. State operated developmental center ICF/MR beds that are relocated to community facilities shall be closed upon licensure of the transferred beds.

Facilities proposing to operate transferred beds shall submit an application to the Certificate of Need Section demonstrating a commitment to serve children ages birth through six years who have severe to profound developmental disabilities and are medically fragile. To help ensure the relocated beds will serve these residents such proposal shall include a written agreement with the following representatives: Director of the Local Management Entity serving the county where the group home is to be located; the Director of the applicable state operated developmental center; the Chief of State Operated Services in the DMH/DD/SAS; the Secretary of the Department of Health and Human Services and the operator of the group home.

**POLICY ICF/MR-2: TRANSFER OF ICF/MR BEDS FROM STATE OPERATED  
DEVELOPMENTAL CENTERS TO COMMUNITY FACILITIES  
FOR INDIVIDUALS WHO CURRENTLY OCCUPY THE BEDS**

Existing certified ICF/MR beds in state operated developmental centers may be transferred through the Certificate of Need process to establish ICF/MR group homes in the community to serve persons with complex behavioral challenges and / or medical conditions for whom a community ICF/MR placement is appropriate, as determined by the individual's treatment team and with the individual / guardian being in favor of the placement. This policy requires the transfer of the individuals who currently occupy the ICF/MR beds in the developmental center to the community facility when the beds are transferred. The beds in the state operated developmental center shall be closed upon certification of the transferred ICF/MR beds in the community facility. Providers proposing to develop transferred ICF/MR beds, as those beds are described in this policy, shall submit an application to the Certificate of Need Section that demonstrates their clinical experience in treating individuals with complex behavioral challenges or medical conditions in a residential ICF/MR setting. To ensure the transferred beds will be used to serve these individuals, a written agreement between the following parties shall be obtained prior to development of the group home: Director of the Local Management Entity serving the county where the group home is to be located, the Director of the applicable developmental center, the Chief of State Operated Services in the N.C. Division of Mental Health/ Developmental Disabilities/Substance Abuse Services (DMH/DD/SAS), the Secretary of the Department of Health and Human Services and the operator of the group home.



---

## **POLICIES APPLICABLE TO ALL HEALTH SERVICES (GEN)**

---

The policy statements below apply to all health services including acute care (hospitals, ambulatory surgical facilities, operating rooms, rehabilitation facilities, and technology); long-term care (nursing homes, adult care homes, Medicare-Certified home health agencies, end-stage renal disease services and hospice services); mental health (psychiatric facilities, substance abuse facilities, and intermediate care facilities for the mentally retarded) and services and equipment including bone marrow transplantation services, burn intensive care services, neonatal intensive care services, open heart surgery services, solid organ transplantation services, air ambulances, cardiac catheterization equipment, heart-lung bypass machines, gamma knives, linear accelerators, lithotriptors, magnetic resonance imaging scanners, positron emission tomography scanners, simulators, major medical equipment as defined in G.S. 131E-176(14f), and diagnostic centers as defined in G.S. 131E-176(7a).

### **POLICY GEN-1: REALLOCATIONS**

- (1) Reallocations shall be made only to the extent that the methodologies used in this Plan to make need determinations indicate that need exists after the inventories are revised and the need determinations are recalculated.
- (2) Beds or services which are reallocated once in accordance with this policy shall not be reallocated again. Rather, the Medical Facilities Planning Section shall make any necessary changes in the next annual State Medical Facilities Plan.
- (3) Dialysis stations that are withdrawn, relinquished, not applied for, decertified, denied, appealed, or pending the expiration of the 30 day appeal period shall not be reallocated. Instead, any necessary redetermination of need shall be made in the next scheduled publication of the Dialysis Report.
- (4) Appeals of Certificate of Need Decisions on Applications  
Need determinations of beds or services for which the CON Section decision to approve or deny the application has been appealed shall not be reallocated until the appeal is resolved.
  - (A) Appeals resolved prior to August 17:  
If such an appeal is resolved in the calendar year prior to August 17, the beds or services shall not be reallocated by the CON Section; rather the Medical Facilities Planning Section shall make the necessary changes in the next annual State Medical Facilities Plan, except for dialysis stations which shall be processed pursuant to Item (3).
  - (B) Appeals resolved on or after August 17:



Table 17A: INVENTORY OF ICF/MR FACILITIES &amp; BEDS for Proposed 2008 SMFP

Mental Health Area and Name of Provider	County	Approved, Not Yet Certified		CON Project Number	Total Beds Certif.	Certif. Vendor Number	TOTAL BEDS (Appr. + Cert.)
		Child	Adult				
MH AREA 1: Jackson, Haywood, Macon, Cherokee, Clay, Graham, Swain							
Macon ICF/MR Group Home #1(Second Street, Franklin)	Macon			2959/4171	6	346469	6
Macon ICF/MR Group Home #2(Iotla St., Franklin)	Macon			4289	6	34603N	6
Haywood County G. H. (Oak Park Dr.)	Haywood			2651	5	346374	5
Webster Children Group Home	Jackson			3878	6	346012	6
Smoky Mountain ICF/MR Group Home (11 Dills St.)	Jackson			1618/5046	6	346324	6
TOTAL AREA 1:		0	0		29		29
MH AREA 2: Beacombe, Henderson Madison, Mitchell, Polk, Rutherford, Transylvania, Yancey							
Blue Ridge Home, Swannanoa (91 Poplar Circle)	Buncombe			4888/2294	32	346434	32
Irene Wortham Group Home (1 Rose St.)	Buncombe			4850/2628	11	346413	11
Irene Wortham Residential Center (16 Azalea St.)	Buncombe			3478/4175	6	346595	6
Dogwood Group Home (2 Rose St.)	Buncombe				6	346101	6
RHA (122 New Stock Road- Weaverville)	Buncombe			5059	6		6
Chiles Ave. Group Home (22 Chiles Ave.)	Buncombe			5330/2958	6	346410	6
Kenmore St. Group Home/Autistic Children (1 Kenmore St.)	Buncombe			4309	6	34604M	6
Pisgah Group Home (28 Pisgah View Ave-Asheville)	Buncombe			3880	6	346449	6
Montford Group Home - Autistic (406 Montford Ave.)	Buncombe			4855	5	34609W	5
Ora Street Group Home For Autistic (95 Ora St., Asheville)	Buncombe			3881	6	346322	6
Country Cove Group Home	Henderson			4773/2622	6	346402	6
Pinebrook ICF/MR Family Care Ctr (Erkwood Drive)	Henderson			3996	6	34601U	6
Rayside ICF/MR (617 & 619 Ray Street-Hendersonville)	Henderson			4758/4759	8	34609V	8
Ctr Mental Retardation of Madison (199 Wall Road)	Madison			2294	32	346438	32
VOCA Woodland Group Home, Woodland Dr.	Rutherford			4003	6	34603Y	6
VOCA Corp., Rollins Road, Forest City	Rutherford			4006	6	34604X	6
Forest Bend Group Home (S. Oak St., Brevard)	Transylvania			2956/3997	6	34604E	6
TOTAL AREA 2		0	0		160		160
MH AREA 3: Alleghany, Ashe, Avery, Watauga, Wilkes							
New River Cottage, Inc (82 Davis Lane)	Alleghany			2074/6400	5	346317	5
Ridgecrest I (West Jefferson)	Ashe			3482/3586	6	346130	6 *
Ridgecrest II (West Jefferson)	Ashe			3481/3587	6	346130	6 *
Thomas Street Home (Jefferson)	Ashe			3480/3588	6	346150	6 *
VOCA-Blairfield Court	Wilkes	1		5728/6349	5	346365	6
VOCA-College Street	Wilkes	1		5729/6350	5	346085	6
VOCA-Kimsey Care Center I	Watauga			5731/6347	6	346528	6
Wildcat Group Home	Watauga			2661	15	346549	15
Western Health Care (Lakewood)	Wilkes			3827	6	34601B	6
Lewis Fork I and II (Ferguson)	Wilkes			2657	12	346512	12 **
VOCA-Wellbom	Wilkes			5732/6348	6	346510	6
VOCA-Apple Valley Care Center II	Wilkes			3486/5473	6	34604E	6
TOTAL AREA 3		0	2		84		86

\*Bed count includes one Thomas S. bed; \*\*Bed count includes two Thomas S. beds.



$$7,425,183 / 3,222 = 2,305 \text{ beds instead of } 5,252 \text{ beds}$$

### **Comparison of North Carolina to Other States and Need Determination Methodology**

If North Carolina used any of the individual state's ratios above or need methodologies (except for South Carolina's), the need for ICF/MR beds would indicate that the present number of 5,252 beds providing service in the state is an adequate number of beds.

If North Carolina used the average of the ratios for people per bed from the above four states the need for ICF/MR beds would equal to 1,870 beds:

$$7,425,183 / 3,970 = 1,870 \text{ beds instead of } 5,252 \text{ beds}$$

In the State of Tennessee's Health Guidelines for Growth, it is stated

"The population-based estimate of the total need for ICF/MR facilities is .05 percent of the general population. This estimate is based on the estimate for all mental retardation of 1 percent. Of the 1 percent estimate, 5 percent of those are estimated to meet level 1 criteria and be appropriate for ICF/MR services."

If North Carolina used the .05 percent of its general Year 2007 population, the need for ICF/MR beds would equal to 4,484 beds:

$$8,968,800 \times .01 = 89,688 \times .05 = 4,484 \text{ beds instead of } 5,252 \text{ beds}$$

The Division of Facility Services' basic position continues to be that additional ICF/MR beds in North Carolina is in conflict with the experience and practice of surrounding states that indicate that North Carolina has a more than adequate number of ICF/MR beds in comparison to other Southeastern states.

### **Need Determination for ICF/MR Beds**

It is determined that there is no need for additional ICF/MR beds anywhere else in the state.

### **Sources of Data**

#### ***ICF/MR Beds Operational:***

Certification Section, Division of Facility Services, N.C. Department of Health and Human Services

#### ***ICF/MR Beds Available:***

Certificate of Need Section, Division of Facility Services, N.C. Department of Health and Human Services



**TABLE 17C: BEDS EXCLUDED FROM ICF/MR INVENTORY - Final 2007 SMFP**

Facility Name	HSA	Mental Health Planning Area	Number of Certified Beds	Reason for Exclusion
Western Carolina Ctr.	I	4 Foothills	493	State Facility
Murdoch Center	II	15 Five County	660	State Facility
O'Berry Center	IV	30 Eastpointe	485	State Facility
Caswell Center	IV	30 Eastpointe	813	State Facility
State Facility Total			2,451	
Carolina Living & Learning	II	13 Orange-Person-Chatham	15	Demonstration Project
Group Homes for the Autistic	III	8 Piedmont Behavioral	15	Demonstration Project
Howell's A&B	IV	26 Pitt County	30	Demonstration Project
Demonstration Project Total			60	
Total Excluded Beds			2,511	

(t17C2008p) 6/21/2007

**Table 17D: Need Determination for Transfer  
of Existing Certified ICF/MR Beds from  
State-Operated Developmental Centers Per Policy ICF/MR-2  
(Scheduled for Certificate of Need Review during 2008)**

HSA	County	Bed Need Determination	CON Application Due Date	CON Beginning Review Date
I	Buncombe	6	To be determined	To be determined
II	Guilford	6	To be determined	To be determined
III	Mecklenburg	6	To be determined	To be determined
IV	Wake	6	To be determined	To be determined
V	New Hanover	6	To be determined	To be determined
VI	Pitt	6	To be determined	To be determined
	TOTAL	36		

Need determinations as shown in this document may be increased or decreased during the year pursuant to Policy GEN-2 (See Chapter 4).

\*\*Application Due Dates are absolute deadlines. The filing deadline is 5:30 p.m. on the Application Due Date. The filing deadline is absolute (See Chapter 3).

(t17D2008p.xls) 5/10/2007